

## Indicator 43

# Postsecondary Expenses

*In academic year 2009–10, instruction was the largest per full-time-equivalent (FTE) student expense at public (\$7,239) and private nonprofit institutions (\$15,321). At private for-profit institutions, instruction was the second largest expense category, at \$3,017 per student.*

This indicator examines general patterns in expenses of postsecondary degree-granting institutions. Only some financial data may be comparable across institutions by control categories (i.e., between public, private nonprofit, and private for-profit institutions) because of differences in accounting procedures. In addition, comparisons by institutional level (i.e., between 2-year and 4-year institutions) may also be limited because of different institutional control.

In academic year 2009–10, total expenses were \$287 billion at public institutions, \$148 billion at private nonprofit institutions, and \$20 billion at private for-profit institutions (see table A-43-1). At public and private nonprofit institutions, instruction was the largest expense category (at 27 and 33 percent, respectively). At private for-profit institutions, instruction constituted 24 percent of total expenses but student services and academic and institutional support (a category which covers a wide range of costs) was the largest category at 66 percent. Other relatively large categories at public institutions (those accounting for 8–10 percent of expenses) were research, institutional support, and hospitals. At private nonprofit institutions, some of the other larger categories (those accounting for 8–14 percent of expenses) were research, academic support, student services, institutional support, auxiliary enterprises, and hospitals. Expenses for student services and academic and institutional support made up 19 percent of total expenses in public institutions and 30 percent in nonprofit institutions, less than half of the share spent by private for-profit institutions (66 percent).

Total expenses per full-time equivalent (FTE) student were much higher for private nonprofit institutions (\$46,287 in 2009–10) than for public institutions (\$26,697 in 2009–10) and private for-profit institutions

(\$12,683 in 2009–10). Private nonprofit institutions spent more than twice as much per student on instruction (\$15,321) as public institutions (\$7,239). A similar pattern was found for most other expense classifications such as academic support (\$4,175 for nonprofit institutions vs. \$1,791 for public institutions) and institutional support (\$6,270 for nonprofit institutions vs. \$2,152 for public institutions). Expenses per student for public service were an exception to this pattern, with public institutions spending more than nonprofit institutions (\$1,092 vs. \$674). Expenses per student for instruction were more than twice as high in public institutions as in private for-profit institutions (\$7,239 vs. \$3,017), but expenses per student for student services, academic, and institutional support were higher in for-profit institutions (\$8,310) than in public institutions (\$5,190).

Differences were found between expenses at 2- and 4-year institutions in academic year 2009–10. For example, 2-year institutions (for all levels of control) spent a greater share of their budgets on instruction than did their 4-year counterparts (35 vs. 25 percent for public institutions, 34 vs. 33 percent for private nonprofit institutions, and 32 vs. 21 percent for private for-profit institutions) (see table A-43-2). Expenses per FTE student for instruction in 2009–10 were less (in constant 2010–11 dollars) at 2-year institutions than they were in 2004–05, but were slightly higher at 4-year public and 4-year nonprofit institutions (less than 1 percent higher at public institutions and nearly 5 percent higher at nonprofit institutions). Instruction expenses per student in private for-profit 4-year institutions were less in 2009–10 (\$2,692) than in 2004–05 (\$2,978).



### Tables A-43-1 and A-43-2

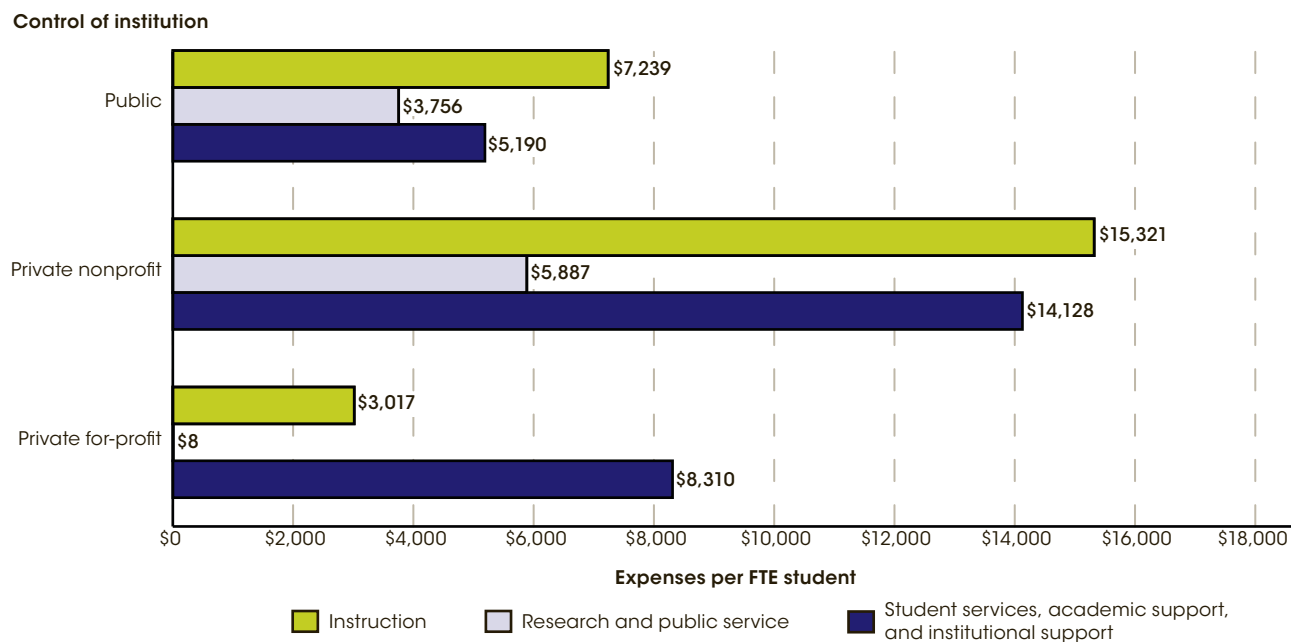
**Glossary:** *Consumer Price Index (CPI), Full-time-equivalent (FTE) enrollment, Private institution, Public institution, Revenues, Tuition*

## Technical Notes

“Auxiliary” enterprises are essentially self-supporting operations, such as residence halls, that exist to provide a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. “Academic support” includes services that directly support an institution’s primary missions of instruction, research, or public service. “Institutional support” includes general administrative services, executive direction and planning, legal and fiscal operations, and community relations. “Student services” include expenses associated with admissions, registrar activities, and activities whose primary purpose is to

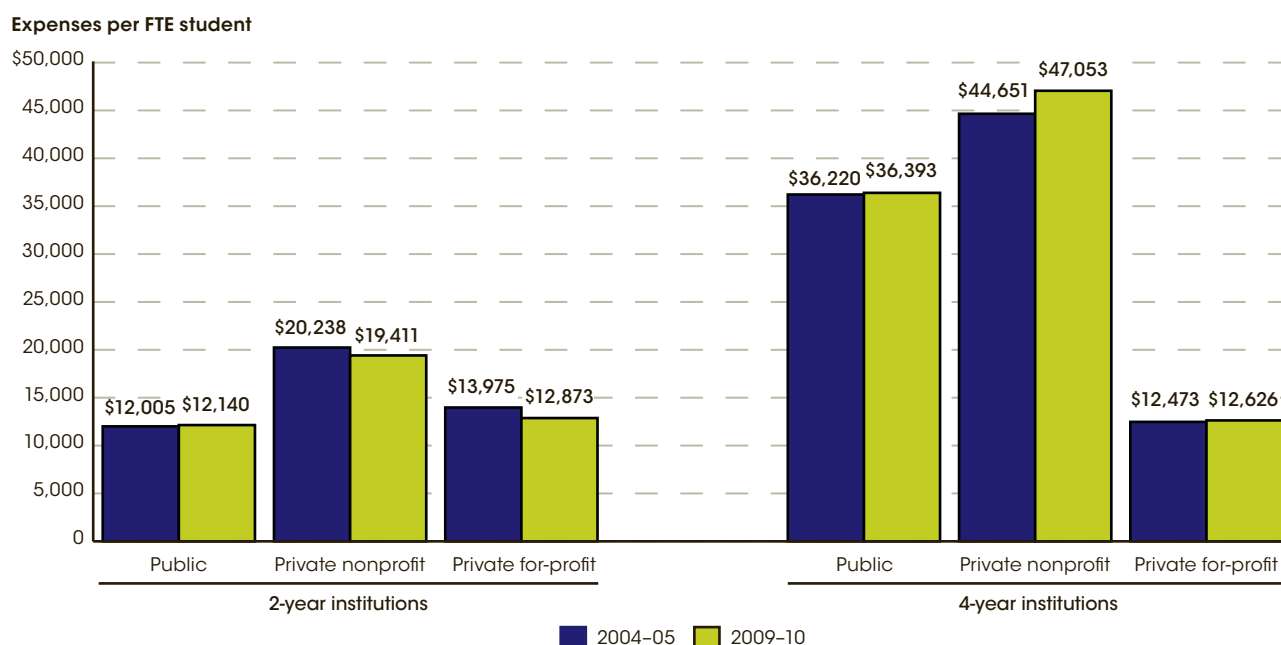
contribute to students’ emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. FTE students is the full-time student enrollment, plus the full-time equivalent of the part-time students. Data are adjusted by the Consumer Price Index (CPI) to constant 2010–11 dollars. For more information on the CPI, see Appendix C – *Finance*. For more information on the Integrated Postsecondary Education Data System (IPEDS) and IPEDS classification of institutions, see Appendix B – *Guide to Sources*.

**Figure 43-1. Expenses per full-time-equivalent student at degree-granting postsecondary institutions, by control of institution and purpose: Academic year 2009–10**  
[In constant 2010–11 dollars]



NOTE: Full-time-equivalent (FTE) student includes full-time students plus the full-time equivalent of part-time students. Data are adjusted by the Consumer Price Index (CPI) to constant 2010–11 dollars. For more information on the CPI, see Appendix C – Finance. For more information on the Integrated Postsecondary Education Data System (IPEDS), see Appendix B – Guide to Sources.  
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2010, Enrollment component; and Spring 2011, Finance component.

**Figure 43-2. Total expenses per full-time-equivalent student at 2-year and 4-year degree-granting postsecondary institutions, by control of institution: Academic years 2004–05 and 2009–10**  
[In constant 2010–11 dollars]



NOTE: Full-time-equivalent (FTE) students includes full-time students plus the full-time equivalent of part-time students. Data are adjusted by the Consumer Price Index (CPI) to constant 2010–11 dollars. For more information on the CPI, see Appendix C – Finance. For more information on the Integrated Postsecondary Education Data System (IPEDS), see Appendix B – Guide to Sources.  
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2005 and Spring 2010, Enrollment component; and Spring 2011, Finance component, Spring 2005.

## Indicator 43

# Postsecondary Expenses

**Table A-43-1. Total and per full-time-equivalent student expenses, by control of institution and purpose for degree-granting postsecondary institutions: Academic years 2004-05 and 2009-10**

[Numbers in 2010-11 constant dollars]						
Control of institution and purpose	Total expenses				Expenses per FTE student <sup>1</sup>	
	Dollars (in millions)		Percentage distribution		2004-05	2009-10
	2004-05	2009-10	2004-05	2009-10		
<b>Public institutions<sup>2</sup></b>						
<b>Total</b>	<b>\$248,811</b>	<b>\$286,996</b>	<b>100.0</b>	<b>100.0</b>	<b>\$26,616</b>	<b>\$26,697</b>
Instruction	68,784	77,818	27.6	27.1	7,358	7,239
Research	26,001	28,640	10.5	10.0	2,781	2,664
Public service	10,932	11,736	4.4	4.1	1,169	1,092
Academic support	16,440	19,256	6.6	6.7	1,759	1,791
Student services	11,579	13,401	4.7	4.7	1,239	1,247
Institutional support	20,126	23,139	8.1	8.1	2,153	2,152
Operation and maintenance of plant	15,656	18,413	6.3	6.4	1,675	1,713
Depreciation	11,060	14,593	4.4	5.1	1,183	1,357
Scholarships/fellowships <sup>3</sup>	9,688	15,744	3.9	5.5	1,036	1,465
Auxiliary enterprises	19,214	20,866	7.7	7.3	2,055	1,941
Hospitals	23,181	27,208	9.3	9.5	2,480	2,531
Other	16,150	16,181	6.5	5.6	1,728	1,505
<b>Private nonprofit institutions<sup>4</sup></b>						
<b>Total</b>	<b>127,284</b>	<b>148,045</b>	<b>100.0</b>	<b>100.0</b>	<b>44,358</b>	<b>46,827</b>
Instruction	41,806	48,436	32.8	32.7	14,569	15,321
Research	14,773	16,479	11.6	11.1	5,148	5,212
Public service	2,307	2,132	1.8	1.4	804	674
Academic support	10,771	13,198	8.5	8.9	3,754	4,175
Student services	9,445	11,645	7.4	7.9	3,292	3,683
Institutional support	16,938	19,822	13.3	13.4	5,903	6,270
Auxiliary enterprises	12,619	14,165	9.9	9.6	4,398	4,480
Net grant aid to students	1,233	849	1.0	0.6	430	268
Hospitals	10,585	13,438	8.3	9.1	3,689	4,250
Independent operations	4,870	5,258	3.8	3.6	1,697	1,663
Other	1,937	2,625	1.5	1.8	675	830
<b>Private for-profit institutions<sup>4</sup></b>						
<b>Total</b>	<b>10,182</b>	<b>20,373</b>	<b>100.0</b>	<b>100.0</b>	<b>12,920</b>	<b>12,683</b>
Instruction	2,668	4,846	26.2	23.8	3,385	3,017
Research and public service	9	14	0.1	0.1	11	8
Student services, academic and institutional support	6,564	13,349	64.5	65.5	8,329	8,310
Auxiliary enterprises	311	475	3.1	2.3	395	296
Net grant aid to students	63	123	0.6	0.6	80	76
Other	567	1,567	5.6	7.7	719	976

<sup>1</sup> Full-time-equivalent (FTE) students includes full-time students plus the full-time equivalent of part-time students.

<sup>2</sup> For 2009-10 data, all expenses reported by institutions for operations and maintenance, depreciation, and interest have been aggregated into the general categories of operations and maintenance, depreciation, and interest, even in cases where a particular expense was originally disaggregated into a purpose category. Interest expenses are included in other expenses.

<sup>3</sup> Excludes discounts and allowances. In 2009-10, approximately 57 percent of the total scholarships were reported under discounts and allowances. Scholarships and fellowships are reported in other expenses for private institutions.

<sup>4</sup> Operations and maintenance, depreciation, and interest expenses are distributed among appropriate categories.

NOTE: Data are collected on different surveys within the Integrated Postsecondary Education Data System for each sector. Private institutions report fewer data items than public institutions, and private for-profit institutions report fewer data items than private nonprofit institutions. Data are adjusted by the Consumer Price Index (CPI) to constant 2010-11 dollars. For more information on the CPI, see Appendix C - Finance. Detail may not sum to totals because of rounding. For more information on IPEDS, see Appendix B - Guide to Sources.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Spring 2005 and Spring 2010, Enrollment component; and Spring 2006 and Spring 2011, Finance component.

This indicator continues on page 274.

## Indicator 43

# Postsecondary Expenses

**Table A-43-2. Total and per full-time-equivalent student expenses, by level and control of institution and purpose for degree-granting postsecondary institutions: Academic years 2004-05 and 2009-10**

Control of institution and purpose	[Numbers in 2010-11 constant dollars]							
	Total expenses (in millions)				Percentage distribution of total expenses			
	2-year institutions		4-year institutions		2-year institutions		4-year institutions	
	2004-05	2009-10	2004-05	2009-10	2004-05	2009-10	2004-05	2009-10
<b>Public institutions<sup>2</sup></b>								
<b>Total</b>	<b>\$44,509</b>	<b>\$52,175</b>	<b>\$204,302</b>	<b>\$234,820</b>	<b>100.0</b>	<b>98.1</b>	<b>100.0</b>	<b>100.0</b>
Instruction	17,245	18,385	51,539	59,433	38.7	35.2	25.2	25.3
Research	25	21	25,976	28,618	0.1	#	12.7	12.2
Public service	764	769	10,168	10,968	1.7	1.5	5.0	4.7
Academic support	3,276	3,594	13,164	15,662	7.4	6.9	6.4	6.7
Student services	4,112	4,470	7,466	8,930	9.2	8.6	3.7	3.8
Institutional support	6,115	6,464	14,011	16,676	13.7	12.4	6.9	7.1
Operation and maintenance of plant	3,794	4,464	11,861	13,949	8.5	8.6	5.8	5.9
Depreciation	1,679	2,035	9,382	12,558	3.8	3.9	4.6	5.3
Scholarships/fellowships <sup>3</sup>	3,400	6,470	6,288	9,274	7.6	12.4	3.1	3.9
Auxiliary enterprises	2,388	2,383	16,826	18,483	5.4	4.6	8.2	7.9
Hospitals	0	0	23,181	27,208	0.0	0.0	11.3	11.6
Other	1,710	3,122	14,440	13,059	3.8	4.1	7.1	5.6
<b>Private nonprofit institutions</b>								
<b>Total</b>	<b>697</b>	<b>500</b>	<b>126,588</b>	<b>147,544</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Instruction	239	169	41,567	48,267	34.3	33.7	32.8	32.7
Research	1	1	14,773	16,478	0.1	0.1	11.7	11.2
Public service	8	5	2,299	2,126	1.1	1.0	1.8	1.4
Academic support	40	44	10,732	13,155	5.7	8.7	8.5	8.9
Student services	104	71	9,341	11,574	15.0	14.1	7.4	7.8
Institutional support	201	138	16,737	19,684	28.8	27.6	13.2	13.3
Auxiliary enterprises	52	35	12,567	14,130	7.4	7.0	9.9	9.6
Net grant aid to students	21	7	1,212	841	3.0	1.5	1.0	0.6
Hospitals	0	0	10,585	13,438	0.0	0.0	8.4	9.1
Independent operations	0	0	4,870	5,258	0.0	0.0	3.8	3.6
Other	32	31	1,905	2,593	4.5	6.2	1.5	1.8
<b>Private for-profit institutions</b>								
<b>Total</b>	<b>3,276</b>	<b>4,781</b>	<b>6,906</b>	<b>15,592</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Instruction	1,019	1,521	1,649	3,325	31.1	31.8	23.9	21.3
Research and public service	5	3	4	11	0.1	0.1	0.1	0.1
Student services, academic and institutional support	1,825	2,549	4,739	10,799	55.7	53.3	68.6	69.3
Auxiliary enterprises	104	131	208	344	3.2	2.7	3.0	2.2
Net grant aid to students	19	49	45	74	0.6	1.0	0.6	0.5
Other	305	528	262	1,039	9.3	11.0	3.8	6.7

See notes at end of table.

**Table A-43-2. Total and per full-time-equivalent student expenses, by level and control of institution and purpose for degree-granting postsecondary institutions: Academic years 2004-05 and 2009-10—Continued**

[Numbers in 2010-11 constant dollars]

Control of institution and purpose	Expenses per FTE student <sup>1</sup>			
	2-year institutions		4-year institutions	
	2004-05	2009-10	2004-05	2009-10
<b>Public institutions<sup>2</sup></b>				
<b>Total</b>	<b>\$12,005</b>	<b>\$12,140</b>	<b>\$36,220</b>	<b>\$36,393</b>
Instruction	4,652	4,278	9,137	9,211
Research	7	5	4,605	4,435
Public service	206	179	1,803	1,700
Academic support	884	836	2,334	2,427
Student services	1,109	1,040	1,324	1,384
Institutional support	1,649	1,504	2,484	2,584
Operation and maintenance of plant	1,023	1,039	2,103	2,162
Depreciation	453	473	1,663	1,946
Scholarships/fellowships <sup>3</sup>	917	1,505	1,115	1,437
Auxiliary enterprises	644	554	2,983	2,865
Hospitals	0	0	4,110	4,217
Other	461	726	2,560	2,024
<b>Private nonprofit institutions</b>				
<b>Total</b>	<b>20,238</b>	<b>19,411</b>	<b>44,651</b>	<b>47,053</b>
Instruction	6,944	6,549	14,662	15,393
Research	18	23	5,211	5,255
Public service	223	199	811	678
Academic support	1,154	1,698	3,785	4,195
Student services	3,031	2,735	3,295	3,691
Institutional support	5,831	5,355	5,904	6,277
Auxiliary enterprises	1,503	1,361	4,433	4,506
Net grant aid to students	615	284	428	268
Hospitals	0	0	3,734	4,285
Independent operations	0	0	1,718	1,677
Other	918	1,207	672	827
<b>Private for-profit institutions</b>				
<b>Total</b>	<b>13,975</b>	<b>12,873</b>	<b>12,473</b>	<b>12,626</b>
Instruction	4,347	4,095	2,978	2,692
Research and public service	20	7	7	9
Student services, academic and institutional support	7,785	6,864	8,560	8,745
Auxiliary enterprises	442	353	375	279
Net grant aid to students	80	132	80	60
Other	1,301	1,422	472	841

# Rounds to zero.

<sup>1</sup> Full-time-equivalent (FTE) students includes full-time students plus the full-time equivalent of part-time students.

<sup>2</sup> For 2009-10 data, all expenses reported by institutions for operations and maintenance, depreciation, and interest have been aggregated into the general categories of operations and maintenance, depreciation, and interest, even in cases where a particular expense was originally disaggregated into a purpose category. Interest expenses are included in other expenses.

<sup>3</sup> Excludes discounts and allowances. In 2009-10, approximately 57 percent of the total scholarships were reported under discounts and allowances. NOTE: Data are collected on different surveys within the Integrated Postsecondary Education Data System (IPEDS) for each sector. Private institutions report fewer data items than public institutions, and private for-profit institutions report fewer data items than private nonprofit institutions. Data are adjusted by the Consumer Price Index (CPI) to constant 2010-11 dollars. For more information on the CPI, see Appendix C - Finance. Detail may not sum to totals because of rounding. For more information on IPEDS, see Appendix B - Guide to Sources.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Spring 2005 and Spring 2010, Enrollment component; and Spring 2006 and Spring 2011, Finance component.